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## **Georgia Public Service Commission**

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November 13, 2001

**FCC MAIL ROOM**

Magalie Roman Salas, Commission Secretary  
Federal Communications Commission  
445 12<sup>th</sup> St., SW, CY-B402  
Washington, DC 20554

**RE: Joint Application by BellSouth for Provision of In-Region, InterLATA  
Services In Georgia and Louisiana; CC Docket No. 01-277**

Dear Ms. Salas:

Enclosed are an original and two (2) copies of the Georgia Public Service Commission's Reply Comments.

Respectfully,

*Leon Bowles / by LEB*

Leon Bowles  
Director of Telecommunications

Enclosures

cc: Department of Justice, c/o Donald J. Russell  
Janice Myles, Policy and Program Planning Division, Common Carrier Bureau  
Qualex International, Portals II

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Before the  
**FEDERAL COMMUNICATIONS COMMISSION**

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NOV 13 2001

In the Matter of

FCC MAIL ROOM

Joint Application by BellSouth Telecommunications, :  
Inc., et al., for Authorization to Provide :  
In-Region, InterLATA Service in the states of :  
Georgia and Louisiana pursuant to Section 271 :  
of the Telecommunications Act :

CC Docket No.01-277

**REPLY COMMENTS OF THE**  
**GEORGIA PUBLIC SERVICE COMMISSION**

Lauren McDonald, Chairman  
Stan Wise, Vice Chairman  
Robert Baker, Commissioner  
David Burgess, Commissioner  
Bob Durden, Commissioner

Georgia Public Service Commission  
244 Washington Street  
Atlanta, GA 30334-5701

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## **SUMMARY**

In its Comments filed with the Federal Communications Commission (“FCC”) on October 22, 2001, the Georgia Public Service Commission (“Commission”) advised the FCC that BellSouth Telecommunications, Inc. (“BellSouth”) had met the requirements of Section 271 of the 1996 Federal Telecommunications Act (“Federal Act”) in Georgia. The Commission reached this conclusion only after an exhaustive review of the evidence and after more than six years of proceedings aimed at opening the Georgia local market to competition. After reviewing the comments filed by other parties in this docket, the Commission stands by its conclusion.

Although those parties filing comments concerning BellSouth’s entry into the interLATA market in Georgia raise a number of issues, the most significant areas of concern they have identified involve: (1) the levels of flow through offered by BellSouth’s Operational Support Systems (“OSS) and corresponding amount of manual handling by BellSouth; and (2) the integrity of BellSouth’s performance data. These are the primary issues of concern raised by the United States Department of Justice (“DOJ”) in its November 6, 2001 Comments. The Commission’s Reply Comments will discuss each of these areas of concern as well as other issues, most of which the Commission either has addressed or is in the process of addressing.

In the Commission’s view, the criticisms leveled against BellSouth do not demonstrate a failure to meet the requirements of Section 271. While electronic flow-through can always be improved and the level of manual handling reduced, competing local exchange carriers (“CLECs”) have made full use of BellSouth’s existing OSS to secure over 815,000 local lines in BellSouth’s Georgia service area as of July 2001.

These numbers continue to grow, and carriers such as WorldCom, Inc. (“WorldCom”) and Birch Telecom of the Southeast, Inc. (“Birch”) are currently marketing local exchange service to all customers in Georgia. This level of competitive entry is dramatic evidence that the local market in Georgia is irreversibly open to competition. Accordingly, BellSouth’s application for interLATA authority in Georgia should be granted.

**I. BELLSOUTH’S COMPLIANCE WITH TRACK A**

No party disputes the fact that BellSouth has entered into, and this Commission has approved, over 400 interconnection agreements with CLECs in Georgia, a number of which are providing telephone exchange service either exclusively or predominantly over their own facilities to residential and business subscribers. *See* 47 U.S.C. § 271(c)(1)(A) (Track A). Rather than challenging BellSouth’s compliance with Track A, several commenters, most notably AT&T Corp. (“AT&T”) and Sprint Communications Company, L.P. (“Sprint”), claim that BellSouth has overstated the amount of CLEC entry in the State of Georgia. Specifically, in his declaration on behalf of AT&T, Mr. Gillan estimates that CLECs serve less than 377,000 access lines in Georgia. *Declaration of Joseph Gillan* ¶ 27.

The Commission previously considered and rejected this same argument. Without regard to the validity of his methodology, Mr. Gillan’s estimates of CLEC market entry simply cannot be reconciled with the number of CLEC access lines as reported by the CLECs themselves. In particular, CLECs reported to the FCC that they were serving in excess of 551,000 access lines in Georgia as of December 31, 2000. *See Local Telephone Competition: Status as of December 31, 2000, Industry Analysis*

Division, Common Carrier Bureau, FCC, May 2001, Table Six. CLECs reported to this Commission that they were serving in excess of 726,000 access lines in the State as of June 2001. *See Comments of the Georgia Public Service Commission*, Appendix A. If anything, these self-reported numbers are understated, because not every CLEC reports the number of access lines it serves to either the FCC or this Commission. However, there is no reason to believe that the number of access lines served by CLECs in Georgia is less than the number reported by those CLECs responding and every reason to believe that BellSouth's more current estimates of CLEC entry are reasonable.

## **II. BELLSOUTH'S COMPLIANCE WITH THE COMPETITIVE CHECKLIST**

### **A. Checklist Item 1: Interconnection**

In challenging BellSouth's compliance with Checklist Item 1, several commenters, including AT&T, NuVox Communications, Inc. ("NuVox"), and Broadslate Networks, Inc. ("Broadslate"), question the adequacy of the current trunk blockage measures adopted by this Commission in its January 12, 2001 Order in Docket 7892-U. *See Declaration of Beverly McConnell and Denise Berger*, ¶¶ 13-27; *Comments of NuVox and Broadslate*, at 1-4. These Trunk Group Performance measures were adopted after a full hearing and opportunity for parties to comment, and the FCC should not be persuaded by the commenters' criticisms.

This is particularly true given that, while AT&T now claims that these Trunk Group Performance measures are "highly misleading," AT&T did not present such concerns to the Commission when the measures were first proposed. On the contrary,

rebuttal testimony filed in Docket 7892-U by the CLEC Coalition (which included AT&T and Broadslate among others) did not address BellSouth's proposed Trunk Group Performance measures at all, and the CLEC Coalition's Post-Hearing Brief only advocated requiring that trunk blockage data be disaggregated by "trunk design and type." *See Rebuttal Testimony of Marsha Emch* (On behalf of the CLEC Coalition), Docket 7892-U (filed June 27, 2000); *Rebuttal Testimony of Jay M. Bradbury* (On behalf of the CLEC Coalition), Docket 7892-U (filed June 27, 2000); CLEC Coalition Post-Hearing, Docket 7892-U, at 21 (filed August 21, 2000). Likewise, NuVox did not present to the Commission any concerns about the Trunk Group Performance measures, as NuVox did not even participate in Docket 7892-U.

Under such circumstances, the FCC should be reluctant to give much credence to the commenters' criticisms of the Commission's existing trunk blockage measures. *See Memorandum Opinion and Order, In re: Application of Verizon New England, Inc., et al., For Authorization to Provide In-Region, InterLATA Services in Massachusetts*, CC Docket No. 01-9, ¶ 147 (April 16, 2001) ("*Verizon-MA Order*") ("We encourage carriers to bring issues such as these to the attention of state commissions so that factual disputes can be resolved before a BOC applicant files a section 271 application with this Commission"); *Memorandum Opinion and Order, Application by SBC Communications, Inc., et al., Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region, InterLATA Services in Texas*, 15 FCC Rcd 18354, ¶ 70, n.146 (2000) ("*SWBT-TX Order*") ("The Texas Commission stated that NTS and Caprock had never brought their complaints to the attention of the Texas Commission, and it did not believe that based on the evidence developed in the Section 271 proceeding that the complaints

of NTS and CapRock indicate systemic problems. Inasmuch as the Texas Commission had little opportunity to investigate those complaints and develop a factual record, we accord them little weight”). The Commission is currently in the process of reviewing BellSouth’s existing performance measurements. To the extent any party, including AT&T, Broadslate, or NuVox, has concerns about a particular measure, such concerns should be raised and discussed in the industry workshops that are currently underway.

In addition to criticizing the existing Trunk Group Performance measures, AT&T, NuVox, and Broadslate also complain about the level of CLEC trunk blockage based upon aggregate reports that BellSouth apparently files in other states (although which contain Georgia data). None of these carriers has presented their own CLEC-specific trunk blockage performance data, which this Commission believes would be particularly probative of claims that BellSouth’s trunk blockage performance has been deficient. This is particularly true given that the Commission found, based upon the evidence in the record, that at least some trunk blockage problems experienced in Georgia were caused by CLECs that provided poor trunk forecasts or failed to inform BellSouth about expected increases in traffic volume. *See Comments of the Georgia Public Service Commission*, at 39-42.

**B. Checklist Item 2: Unbundled Network Elements**

**(a) Nondiscriminatory Access to OSS**



A number of commenters complain about the adequacy of BellSouth's OSS. The Commission already has addressed many of these complaints. *See Comments of the Georgia Public Service Commission*, at 84-112. While BellSouth's systems are not perfect, the Commission believes that the evidence in the record establishes that: (1) BellSouth has deployed the necessary systems and personnel to provide sufficient access to each of the necessary OSS functions and is adequately assisting CLECs to understand how to implement and use all of the OSS functions available to them; and (2) the OSS functions BellSouth has deployed are "operationally ready," as a practical matter. Memorandum Opinion and Order, *Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act To Provide In-Region, InterLATA Service in the State of New York*, 15 FCC Rcd. 3953, ¶ 87 (Dec. 22, 1999) ("*Bell Atlantic-NY Order*"); Memorandum Opinion and Order, *In re: Application of BellSouth Corporation, et al., for the Provision of In-Region, InterLATA Services in Louisiana*, CC Docket No. 98-121, FCC 98-271, ¶ 85 (Oct. 13, 1998) ("*Second Louisiana Order*").

Several commenters, including AT&T and DOJ, assert that BellSouth's flow-through performance has been inadequate. *See Comments of AT&T Corp.* at 21-24; *Evaluation of the United States Department of Justice*, at 14-20; *Comments of Birch Telecom of the Southeast, Inc.*, at 15-17. Flow-through performance appears to have been an issue in nearly every 271 application the FCC has considered in the past two years; yet in each case the FCC found that the flow-through performance of the Bell Operating Company ("BOC") in question was sufficient to meet the requirements of Section 271. *See SWBT-Texas Order* ¶¶ 179-183; *Bell-Atlantic-NY Order* ¶¶ 166-170;

*Verizon-MA Order* ¶¶ 77-82; Memorandum Opinion and Order, *In re: Application of Verizon Pennsylvania, Inc., et al., For Authorization to Provide In-Region, InterLATA Services in Pennsylvania*, CC Docket No. 01-138, ¶¶ 48-49 (September 19, 2001) (“*Verizon-PA Order*”).

In this case, BellSouth’s flow-through performance is comparable to the flow-through achieved by other BOCs recently granted in-region, interLATA authority by the FCC – an issue that most commenters overlook. For example, BellSouth’s “achieved” average total flow-through rates between April through June 2001 ranged from approximately 80-84 percent for residence, from 39-42 percent for business, and 57-63 percent for UNE orders. By contrast, the total flow-through rates reported by Verizon in Massachusetts ranged from 46-49 percent for resale orders and 51-55 percent for UNE orders, while Verizon’s total flow-through rates in Pennsylvania ranged from 54 to 66.5 percent. *Verizon-MA Order*, ¶ 78; *Verizon-PA Order* ¶ 49. If CLECs had a meaningful opportunity to compete in Massachusetts and Pennsylvania with these levels of flow through, the same must be true in Georgia.<sup>1</sup>

The Commission also is convinced that BellSouth’s flow-through rates will continue to improve. First, at the direction of the Commission in Docket 7892-U, BellSouth and the CLECs are working together on a Flow-Through Improvement Task Force, which operates as a subcommittee of the existing Change Control Process (“CCP”) that is working to identify potential enhancements to electronic order flow-

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<sup>1</sup> According to the FCC, Verizon’s “total” flow-through performance results reflect the “percentage of all orders (both those that are designed to flow through and those that are not designed to flow through) that flow through.” See *Verizon-PA Order* ¶ 49, n.186. Verizon’s “total flow through” is comparable to BellSouth’s “achieved” flow through. BellSouth also reports “regular” flow through results, which measure the percentage of orders designed to flow through that do, in fact, flow through. For “regular” flow-through, BellSouth reported 90-91 percent for residence, 57-64 percent for business and 74-80 percent for UNE orders between April and June 2001.

through that, when implemented, should improve BellSouth's flow-through results. The Task Force has met regularly since February 28, 2001, and is currently in the process of implementing the four items agreed upon for conversion from manual to electronic ordering, and the thirteen items that have been prioritized for conversion from planned manual fallout to electronic completion.<sup>2</sup> The Task Force also is considering the request by Covad Communications Company ("Covad") that BellSouth develop the electronic ordering capability for UDC/IDSL loops, which is an issue raised by Covad in its Comments. *See Comments of Covad Communications Company* at 12 & 25.<sup>3</sup>

Second, in its October 19, 2001 Order finding that BellSouth had satisfied the requirements of Section 271, the Commission directed that BellSouth implement certain improvements to its OSS. These improvements -- including migration by name and telephone number, fully fielded CSR parsing capabilities, and electronic ordering of line splitting -- should further facilitate CLEC flow through. BellSouth implemented name and telephone number migration on November 3, 2001, although a technical defect has been identified that should be corrected no later than November 17, 2001.<sup>4</sup> BellSouth has until January 5, 2002 to implement fully fielded CSR parsing and electronic ordering of line splitting, and BellSouth's failure to meet any of the Commission's OSS deadlines will result in the payment of fines of \$10,000 per day.

Third, BellSouth's flow-through performance is a Tier II metric under the Commission's enforcement plan, which means that BellSouth must pay penalties to the

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<sup>2</sup> BellSouth's Second Notice of Filing Corrective Action Plans, Docket 7892-U, at 6-8.

<sup>3</sup> BellSouth's October 26, 2001 letter to Commissioner David Burgess, at 8.

<sup>4</sup> BellSouth's November 5, 2001 letter to Georgia Public Service Commission.

State of Georgia when its flow-through results fail to meet the Commission's benchmarks. These penalty payments provide additional incentive for BellSouth to continue to improve its flow-through performance.

Related to flow-through, several commenters complain about the level and quality of manual handling by BellSouth. *See Comments of AT&T Corp.* at 16 & 21-23; *Evaluation of United States Department of Justice*, at 14-20; *Comments of Covad Communications Company*, at 9-10; *Comments of Birch Telecom of the Southeast, Inc.*, at 19-20. This is another issue that the Commission addressed in its Comments. *See Comments of the Georgia Public Service Commission*, at 100-102. Although manual handling has been an issue in other 271 proceedings, the Commission is unaware of any evidence presented by commenters that the amount of manual handling by BellSouth exceeds that of other BOCs that have been granted 271 relief.

The DOJ takes issue with such a comparison, contending that the relative levels of manual handling in other states "does not address the extent to which BellSouth's manual processing negatively affects CLECs." *Evaluation of the United States Department of Justice*, at 15, n.42. However, if the level of manual handling in Georgia is less than in Massachusetts or Pennsylvania, it cannot be said that BellSouth's reliance upon manual handling is "excessive." *See Comments of AT&T Corp.* at 16.

Furthermore, as the Commission noted in its comments, BellSouth's performance for orders requiring manual handling has been very good, as illustrated by the timeliness by which it returns Firm Order Confirmations ("FOCs") and Reject notices.

For example, with respect to partially mechanized Local Service Requests ("LSRs"), BellSouth has met the Commission's FOC benchmark in nearly every sub-

metric since March 2001, even though that benchmark has increased from 85% returned within 36 hours to 85% returned within 10 hours. In August 2001, BellSouth met the Commission's 10-hour benchmark for returning a FOC in eight of the ten UNE sub-metrics for which CLEC data was reported. In most cases, BellSouth's FOC performance on partially mechanized LSRs has been well above the Commission's benchmark. For example, BellSouth returned a FOC within 10 hours on 97.99% of the partially mechanized LSRs for the UNE-P received in August 2001.<sup>5</sup>

BellSouth also provides timely FOCs for non-mechanized LSRs. BellSouth has met the Commission's benchmark of returning a FOC within 36 hours on 85% of manual LSRs in nearly every sub-metric since March 2001. For example, in August 2001, BellSouth met the Commission's benchmark in 12 of the 13 sub-metrics of manual LSRs for which CLEC data was reported. In August 2001, the percentage of FOCs returned on manual LSRs within 36 hours was at least 95% in each of the 12 sub-metrics for which BellSouth met the Commission's benchmark.<sup>6</sup>

BellSouth's performance in returning timely Reject notices on partially mechanized and manual LSRs has been equally strong. For example, BellSouth has met the Commission's reject benchmark on partially mechanized LSRs for the vast majority of sub-metrics each month since March 2001, even though that benchmark has increased from 85% returned within 36 hours to 85% returned within 10 hours. For example, in

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<sup>5</sup> Docket No. 7892-U Performance Measurements.

<sup>6</sup> Docket No. 7892-U Performance Measurements. The Commission is currently considering adopting new FOC and Reject notice benchmarks on partially mechanized and manual LSRs. This issue is currently being addressed in industry workshops being conducted as part of the Commission's annual review of BellSouth's performance measurements plan in Docket 7892-U. These workshops, and not this proceeding, are the proper forum to consider the argument by Birch Telecom that the Commission's existing benchmarks "are not sufficiently demanding." *Declaration of Tad Jerrett (T.J.) Sauder*, ¶¶ 34-37.

August 2001, BellSouth met the Commission's 10-hour benchmark in seven of the ten UNE sub-metrics for which CLEC data was reported, and, in one sub-metric for which BellSouth missed this benchmark (Line Sharing), there was only a single transaction.<sup>7</sup>

BellSouth also provides timely Reject notices for non-mechanized LSRs. BellSouth has met the Commission's benchmark of returning a Reject notice within 24 hours on 85% of manual LSRs in nearly every sub-metric since March 2001. For example, in August 2001, BellSouth met the Commission's benchmark in 13 of the 13 UNE sub-metrics of manual LSRs for which CLEC data was reported. In August 2001, the percentage of Reject notices returned on manual LSRs within 24 hours was at least 93% in 12 of the 13 UNE sub-metrics for which CLEC data was reported.<sup>8</sup>

The Commission does not disagree with the DOJ's concern about the "competitive effects of timely but inaccurate order processing ...." *Evaluation of the United States Department of Justice*, at 15, n.42. However, while BellSouth's service order accuracy performance has been lacking as it relates to the Commission's benchmarks, there was little, if any, evidence submitted to this Commission establishing that BellSouth's service order accuracy results are adversely affecting competition. Furthermore, the Commission notes that two commenters in this proceeding have remarked positively on BellSouth's ability to process orders accurately. *Comments of NewSouth Communications Corp.*, at 4 ("NewSouth has observed significant improvements in the training of BellSouth personnel, and now believes that these individuals are adequately prepared to assist competitive carriers with issues and

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<sup>7</sup> Docket No. 7892-U Performance Measurements.

<sup>8</sup> Docket No. 7892-U Performance Measurements.

problems that arise during the ordering and provisioning processes”); *Comments of BTI Telecom Corp.*, at 2 (“BellSouth’s ability to handle orders that require manual intervention has also seen steady improvement”).

The DOJ relies upon Birch Telecom’s comments in describing the adverse competitive effects of inaccurate order processing. However, Birch Telecom never presented any evidence to this Commission that would have allowed the Commission to determine the precise nature of the problems experienced by Birch Telecom or to conclude that such problems were actually caused by BellSouth. Birch Telecom merely claimed that its commercial experience in Georgia “supports that the quality of manual handling of CLEC UNE-P order by BellSouth is a serious cause for concern,” without providing any evidence of what that commercial experience actually was and whether such concern was well founded. *See Comments of Birch Telecom of the South, Inc.*, Docket 6863-U, at 10-11 (filed May 31, 2001).<sup>9</sup>

**(b) Third - Party Test**

A number of commenters criticize the third-party test of BellSouth’s OSS conducted by KPMG Consulting, Inc. (“KCI”). *See Comments of AT&T Corp.*, at 17-18; *Comments of Covad Communications Company*, at 8-9; *Comments of Cable Television Association of Georgia*, at 2. These criticisms were largely addressed in the

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<sup>9</sup> In its Comments filed in this proceeding, Birch Telecom provided 36 “service order related problems” allegedly caused by BellSouth in July 2001. *Declaration of Tad Jerrett (T.J.) Sauder*, ¶¶ 25-29. Birch Telecom could have provided the Commission with similar data for earlier months, but failed to do so, which denied this Commission the opportunity to resolve factual disputes, as is the Commission’s function in this process. *Verizon-MA Order*, ¶ 147; *SWBT-TX Order*, ¶ 70, n.146. The same is true for various allegations raised by commenters in this proceeding complaining about BellSouth’s billing, none of which were raised before the Commission. *See Comments of NuVox Communications, Inc. and Broadslate Networks, Inc.*, at 5-9; *Comments of WorldCom, Inc.*, at 44-45.

Commission's initial comments. *Comments of the Georgia Public Service Commission*, at 112-127.

However, Covad's claim that BellSouth proceeded with the third-party test "directed by itself" and that this Commission's only involvement was to approve "some bare bones test parameters" is false. *Comments of Covad Communications Company*, at 5. This Commission established the Georgia third-party test by order entered in May 1999 in response to a petition filed by a coalition of CLECs (which did not include Covad). *See Order on Petition for Third Party Testing*, Docket 8354-U (May 20, 1999). This order outlined the scope of the test, directed Commission Staff to "work with" the firms conducting the test, and ordered BellSouth to "file a detailed test plan of its OSS for Commission review." BellSouth submitted this detailed test plan, which the Commission approved in June 1999 after receiving comments from various CLECs (although not from Covad). *See Order Approving BellSouth's Third Party Testing Plan*, Docket 8354-U (June 28, 1999). In January 2000, in response to CLEC comments (although not from Covad), the Commission issued an order requiring BellSouth to include additional third-party testing of aspects of BellSouth's OSS supporting local market entry by CLECs in Georgia. *See Order*, Docket 8354-U (January 12, 2000).

At the Commission's direction, KCI filed with the Commission and provided to the parties interim reports outlining the status of the third-party test. Commission Staff reviewed these reports and participated in regular conference calls concerning the third-party test. The Commission reviewed each exception and closure report submitted by KCI and often required KCI to submit additional information before the Commission concurred with KCI's recommendation to close an exception. As the Commission's



orders and involvement reflect, KCI's testing activities in Georgia were directed and actively supervised by the Commission. That direction and supervision continues to this day, as KCI is still testing BellSouth's performance metrics as part of the Georgia third-party test. There is simply no truth to Covad's suggestion that this Commission was simply a passive bystander in the Georgia third-party test.

Equally untrue is Covad's claim that "none of Covad's suggestions were included in the test or reflected in the final reports" because "the details of the test and its scope were left to BellSouth and KPMG." *Comments of Covad Communications Company*, at 5. First, as explained above, the "details of the test and its scope" were established by this Commission, not BellSouth or KPMG. Second, Covad did not make any "suggestions" about the Georgia third-party test until well after the test had begun. Specifically, Covad's first written comments concerning the Georgia third-party test were filed with the Commission on January 31, 2000, which was more than eight months after the Commission's order establishing the test and seven months after the Commission's order approving the original test plan. *See Comments of Covad Communications Regarding KPMG's Supplemental OSS Test Plan*, Docket 8354-U (filed January 31, 2000). In fact, Covad's comments were submitted only after the Commission had entered its January 12, 2000 Order directing the specific respects in which BellSouth was required to modify the test plan. To the extent Covad wanted to be more actively involved in shaping the scope of the third-party test, it readily could have done so.

Third, Covad overlooks that the Georgia third-party test was conducted consistent with several of its "suggestions." In particular, Covad urged that "[t]he Georgia Commission, and not KPMG, should make the determination about whether BellSouth's

OSS interfaces provide access to OSS systems that are at parity with what BellSouth's provides to its retail division." *See Comments of Covad Communications Regarding KPMG's Supplemental OSS Test Plan*, Docket 8354-U, at 4 (filed January 31, 2000). This is precisely the manner in which the Georgia third-party test was conducted. Similarly, Covad recommended that "KPMG's test should be designed to achieve the same result actual CLECs achieve in their interactions with BellSouth." *Id.* At 5-6. Again, this is precisely the manner in which the third-party test was conducted in Georgia, as KCI required that all documents provided to and all training courses attended by KCI be generally available to all CLECs.<sup>10</sup>

The Commission also disagrees with the views of those commenters who suggest that a determination that BellSouth's OSS satisfy the requirements of Checklist Item 2 cannot be made until the third-party test in Florida is completed. *See Comments of AT&T Corp.*, at 17-18. This is a theme echoed by the DOJ. *Evaluation of the United States Department of Justice*, at 6-7. While BellSouth's OSS may be regional in nature, this does not mean that such systems are not "operationally ready" simply because third-party testing may be ongoing in another BellSouth state.

For example, after the Florida third-party test is completed, assume that another state public service commission in BellSouth's region decides to test new OSS functionality implemented by BellSouth. Under AT&T's reasoning, until this latest

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<sup>10</sup> KCI Final Report, MTP page II-7. Some of Covad's "suggestions" were not really "suggestions" about how the third-party test in Georgia should be conducted. For example, Covad urged that the Supplemental Test Plan "must conclude that BellSouth's OSS fails to accommodate pre-ordering and ordering of the xDSL UNEs" because, at the time, BellSouth did not provide electronic pre-ordering and ordering capabilities. *See Comments of Covad Communications Regarding KPMG's Supplemental OSS Test Plan*, Docket 8354-U, at 3 (filed January 31, 2000).

third-party test is concluded, BellSouth would be unable to obtain interLATA authority in Georgia, even if CLECs were serving more than one million access lines in the State.

Such an interpretation would hold citizens in Georgia hostage to regulatory proceedings in other states, thereby denying them indefinitely the benefit of full competition in the local and long distance markets. It also would penalize the citizens of Georgia for the Georgia Commission's decision to be proactive in establishing the first third-party test of BellSouth's OSS in the region. Congress could not have envisioned and the FCC should not condone such a result.

**(c) Change Management**

Notwithstanding complaints by various commenters, the Commission reiterates its finding that the CCP is an effective means by which BellSouth communicates with CLECs regarding the performance of and changes to the OSS that affect interconnection and market access. By its very nature, the CCP is not a perfect process. However, as the Commission has held in the recent arbitration involving BellSouth and AT&T, "If parties have disputes arising from the CCP, then they should adhere to the escalation and dispute resolution processes included in the CCP Document." *See Order, In re: Petition of AT&T Communications of the Southern States, Inc., et al., for Arbitration of Certain Terms and Conditions of Proposed Agreement with BellSouth Telecommunications, Inc. Under the Telecommunications Act of 1996*, Docket 11853-U, at 14 (April 20, 2001). This dispute resolution process includes the ability to file a complaint with this Commission.

Various commenters complain about the number of CLEC-initiated change requests implemented by BellSouth and BellSouth's timeliness in implementing change requests, *Comments of AT&T Corp.*, at 27-28; *Comments of WorldCom, Inc.*, at 36-37.

While, in the words of the DOJ, “CLEC complaints about this process abound,” *Evaluation of the United States Department of Justice*, at 29, none of these complaints has been escalated to the Commission under the dispute resolution procedures of the CCP. The Commission also continues to monitor the CCP as part of the current performance measurements review, and various proposals to adopt new performance measures for monitoring the CCP are currently being discussed in industry workshops.

In the meantime, the Commission believes that, contrary to WorldCom’s claims, the Georgia third-party test demonstrates the adequacy of the CCP. *Comments of WorldCom, Inc.* at 35. KCI conducted extensive tests of BellSouth’s Change Management process, including the implementation of release of OSS 99, and found that BellSouth met all of the Evaluation Criteria for Change Management.<sup>11</sup> The Commission believes that the Georgia third-party test is strong evidence that the CCP is an adequate systems change management process to which BellSouth has adhered over time. *Bell Atlantic-NY Order*, ¶ 102; *SWBT-TX Order*, ¶ 116.

**(d) Performance Measures and Data Integrity**

Commenters’ criticisms of BellSouth’s performance measures and data fail into two broad categories. First, several commenters, including the DOJ, criticize the adequacy of the existing performance measurements approved by this Commission by order entered on January 12, 2001. *See Evaluation of United States Department of Justice*, at 35-37 (expressing concern “about the validity of a number of measures that should be revised to provide regulators and competitors with meaningful performance data”); *Comments of WorldCom, Inc.*, at 6-7 & 11; *Comments of Birch Telecom of the*

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<sup>11</sup> KCI’s Supplemental Test Plan Final Report filed on March 20, 2001. Pages VII-A-17-VII-A-28; Table VII-1.3 and Pages VIII-C-10-VIII-C-14; Table VIII3.3.

*South, Inc.*, at 23-28. Importantly, these measures were established only after lengthy hearings in which numerous parties participated. Based upon the input from these parties and the evidence in the record, the Commission adopted a comprehensive set of performance measurements that, in the Commission's view, are reasonable and appropriate.

However, these performance measurements were never intended to be stagnant. On the contrary, the Commission established an ongoing process to review these performance measurements every six months to ensure that they are kept current and continue to serve the purposes for which they were adopted in the first place. The first such review is currently in progress, and a number of parties have submitted proposed revisions to the existing performance measurements that are under discussion in industry workshops overseen by the Commission Staff. The Commission Staff has completed four days of workshops, during which a number of concerns raised by commenters in this proceeding about BellSouth's performance measurements are likely to be resolved. These workshops, and not this proceeding, are the proper forum in which to address such concerns.

Second, commenters also criticize the accuracy of the performance data BellSouth reports. *Comments of AT&T Corp.*, at 31-32; *Comments of Birch Telecom of the South, Inc.*, at 7-15 (claiming that "BellSouth's data is demonstrably flawed"); *Comments of NuVox Communications, Inc. and Broadslate Networks, Inc.*, at 4-6 (claiming that "BellSouth's performance data is incomplete and inaccurate"). A number of these criticisms were considered and rejected by the Commission. *See Comments of the Georgia Public Service Commission*, at 129-134.

The Commission agrees with the DOJ that the FCC “should assure itself that it can be confident of the reliability of any performance data” that is “material” to the FCC’s review. *Evaluation of United States Department of Justice*, at 38. The Commission believes that such assurances have been provided. In particular, as part of the third-party test in Georgia, KCI independently replicated BellSouth’s performance reports from raw data submitted by BellSouth, in order to identify and investigate any discrepancies. At the Commission’s direction, KCI has expanded its review of BellSouth’s performance data. KCI is currently in the process of extracting additional data for comparison purposes as part of additional data integrity tests, validating calculations for the “new” performance measurements adopted in January 2001, and reviewing payments under the Commission’s enforcement plan, including the statistical methodology used for remedy payment purposes.

On November 2, 2001, KCI submitted an interim report on the status of its metrics testing. As reflected in this report, two test criteria related to performance metrics that were “Not Complete” at the time KCI submitted its Final Report to the Commission have now been “Satisfied.” In addition, only six metrics exceptions remain open, several of which (Exceptions 89, 136, and 137) appear close to be being resolved. KCI’s ongoing testing in addition to the Commission’s annual review of BellSouth’s data and performance measures, which are also subject to an independent third-party audit, provide ample assurances that BellSouth’s performance data is reliable.

In addition, the Commission has had procedures in place since 1997 to resolve any data integrity issues – procedures that have never been utilized by a single CLEC in

Georgia.<sup>12</sup> Parties with data integrity issues also can address their concerns in the on-going industry workshops that are examining BellSouth's performance measurements. To date, despite four lengthy days of workshops, no such issues have been raised.

The Commission respectfully disagrees with the DOJ that BellSouth's "pattern" of restating performance data "makes it difficult to conclude that these data accurately depict BellSouth's performance and can be relied upon to establish benchmarks for future performance." *Evaluation of United States Department of Justice*, at 34. Any "pattern" of restating performance data is a result of the Commission's requirement that BellSouth's reported data be accurate and that any inaccuracies in such data be corrected promptly. BellSouth is subject to fines for "incomplete or revised" performance reports under the Commission's January 12, 2001 Order, and thus it is not surprising that BellSouth has filed revisions to its performance reports as soon as errors are discovered. BellSouth should hardly be penalized by the FCC for complying with this Commission's requirement that reported performance data be accurate, as even the DOJ seems to recognize. *Id.* at 33.

Furthermore, when focusing on the performance measurements that the Commission considered in assessing BellSouth's compliance with the requirements of Section 271, it is clear that BellSouth has not engaged in a "pattern" of restating its performance data (with the possible exception of flow through, which is discussed

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<sup>12</sup> While not availing itself of the Commission's formal expedited dispute resolution procedures, in July 2001, Covad sought the Commission's assistance in addressing certain operational issues and in getting a better understanding of how BellSouth's performance data was calculated and reported. Under the Commission's direction, the parties have had an on-going dialogue. The Commission was under the impression that all of Covad's performance measurement issues had been resolved, although, based upon Covad's filing in this proceeding, that does not appear to be the case.

below). This is evident from a review of the June, July, and August performance data that BellSouth has filed.

In assessing nondiscriminatory access to pre-ordering functions, this Commission examined data for the following measures: Average Response Time and Response Interval (Pre-ordering and Ordering); Interface Availability (Pre-ordering and Ordering); and Loop Make Up Response Time. *See Comments of the Georgia Public Service Commission*, at 89-92. BellSouth has not restated its June, July, and August performance data for the Interface Availability and Loop Make-Up Response Time measures. While BellSouth did restate its performance for the Average Response Time and Response interval measurement in July and August 2001, the July revision was only made to include retail analogue data that had been omitted for two sub-metrics and the August revision was only made to a single sub-metric that did not change the underlying parity result.<sup>13</sup>

In assessing nondiscriminatory access to ordering functions, the Commission examined data for the following measures: Acknowledgement Message Timeliness; Firm Order Confirmation Timeliness; Reject Interval; and Average Jeopardy Notice Interval (the Percent Flow Through measure is discussed below). *See Comments of the Georgia Public Service Commission*, at 92-103. BellSouth restated its June 2001 performance data for only one of these measures – Average Jeopardy Notice Interval – and that restatement merely involved adding line-sharing data that had previously been omitted.<sup>14</sup>

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<sup>13</sup> BellSouth's October 12, 2001 Letter to Georgia Public Service Commission, Docket No. 7892-U; BellSouth's September 26, 2001 Letter to Georgia Public Service Commission, Docket No. 7892-U.

<sup>14</sup> BellSouth's September 12, 2001 Letter to Georgia Public Service Commission, Docket No. 7892-U



BellSouth has not restated its July or August performance data for any of these measurements.

In assessing nondiscriminatory access to provisioning functions, the Commission examined data for the Percent Missed Installation Appointments and Average Order Completion Interval measures. *See Comments of the Georgia Public Service Commission*, at 103-107. BellSouth restated its June 2001 performance results for both of these measures. However, BellSouth merely added line sharing data and retail data for local transport that had previously been omitted and revised the order completion interval results for three of the 47 sub-metrics for which CLEC data was reported in June. BellSouth also restated its July 2001 performance results for both of these measures to add retail data for local transport that had previously been omitted.<sup>15</sup> BellSouth has not restated August 2001 performance for either of these measures.

In assessing nondiscriminatory access to maintenance and repair functions, the Commission examined data for the following measures: Interface Availability (Maintenance & Repair); Response Interval (Maintenance & Repair); Missed Repair Appointments; Maintenance Average Duration; and Percent Repeat Troubles within 30 Days. *See Comments of the Georgia Public Service Commission*, at 107-111. BellSouth has not restated its June, July, or August performance data for any of these measurements.

In assessing nondiscriminatory access to billing functions, the Commission examined data for Invoice Accuracy measure. *See Comments of the Georgia Public*

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<sup>15</sup> BellSouth's September 26, 2001 Letter to Georgia Public Service Commission, Docket No. 7892-U; BellSouth's September 12, 2001 Letter to Georgia Public Service Commission, Docket No. 7892-U; BellSouth's August 31, 2001 Letter to Georgia Public Service Commission, Docket No. 7892-U.

*Service Commission*, at 111-112. BellSouth has not restated its June, July, or August 2001 performance data for this measurement.

BellSouth's restated performance results establish that BellSouth has not engaged in a "pattern of restatements" of the performance data that are material to the FCC's review. The one exception, which the DOJ cites as an example of how "problems can affect a single measure," is BellSouth's flow-through results, which BellSouth has revised several times for June, July, and August. *Evaluation of the United States Department of Justice*, at 34-35. The Commission has discussed with BellSouth the reasons for these revisions and is satisfied with BellSouth's explanation. The Commission also notes that such revisions generally resulted in a relatively minor variation in "achieved" flow-through performance. For example, in June 2001, BellSouth originally reported "achieved" flow-through results of 79.67% for residence, 41.13% for business, and 57.41% for UNEs; BellSouth's revised "achieved" flow-through results for June 2001 were 80.59% for residence, 41.32% for business, and 59.65% for UNEs. Likewise, in July 2001, BellSouth originally reported "achieved" flow-through results of 75.18% for residence, 49.41% for business, and 64.34% for UNEs; BellSouth's revised "achieved" flow-through results for July 2001 were 76.03% for residence, 49.61% for business, and 67.52% for UNEs.<sup>16</sup> Such minor variations do not detract from BellSouth's flow-through performance, particularly in relation to other BOCs granted 271 relief, and

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<sup>16</sup> Docket No. 7892-U Performance Measurements; June Revised Flow Through Service Requests (Summary) and Revised Percent Flow Through Service Requests (Detail) Service Quality Measurement Reports filed on October 15, 2001 and July Revised Flow Through Service Requests (Summary) and Revised Percent Flow Through Service Requests (Detail) Service Quality Measurement Reports filed on October 31, 2001.

should not undermine the FCC's confidence in the reliability of BellSouth's performance data.

(e) **UNE Combinations**

Several commenters complain that BellSouth's procedures for UNE-P conversions cause customers to lose dial tone, which is an issue the Commission addressed in its comments. *Comments of the Georgia Public Service Commission*, at 134-136. The Commission found, based on the evidence presented, that the instances of lost dial tone as the result of BellSouth's use of a "D" (or disconnect) order and an "N" (or new) order for UNE-P conversions were isolated occurrences. In particular, the Commission found persuasive BellSouth's evidence that lost dial tone during UNE-P conversions for AT&T, Birch Telecom, and WorldCom from January to May 31, 2001 occurred less than one percent of the time – evidence that was corroborated by WorldCom's own experiences in Georgia.

The Commission stands by its findings, notwithstanding the comments by AT&T and WorldCom that attempt to portray the loss of dial tone during UNE-P conversions as a growing problem with the number of such conversions increasing. *Comments of AT&T Corp.*, at 10 & 38; *Comments of WorldCom, Inc.*, at 4. Interestingly, Birch Telecom, which previously raised concerns about lost dial tone during UNE-P conversions at the Georgia Commission, did not raise this issue in its FCC filing.

Based upon the information provided, both WorldCom's and AT&T's claims of lost dial tone as a result of BellSouth's use of N and D orders appear to be overstated. Although WorldCom claims that 1,988 or 3% of its customers in Georgia reported a loss of dial tone or the inability to receive calls, such problems may be unrelated to the UNE-

P conversion and BellSouth's use of an N and D order. *Declaration of Sherry Lichtenberg, et al.*, ¶ 41. For example, WorldCom does not explain how the use of N and D orders would cause a customer to lose dial tone or lose the ability to receive telephone calls when these problems arise within 30 days of migration, which appears to be the case with 1,214 of the 1,988 WorldCom customers at issue. Furthermore, while both may be inconvenient to the end user, there is a significant difference between a customer who has lost dial tone versus one who is unable to receive telephone calls, and it is not entirely clear how this latter situation is related to the use of N and D orders. Of course, as noted in its Comments, the Commission's order requiring that BellSouth implement a single C order capability should reduce if not eliminate the lost dial tone problem about which WorldCom and AT&T complain.<sup>17</sup>

Without diminishing any problems experienced by end user customers migrating from BellSouth, it is significant that, in slightly more than four months, WorldCom has been able to use the UNE-P to turn up "more than 60,000 local residential lines in Georgia." *Declaration of Sherry Lichtenberg, et al.*, ¶ 5. The Commission believes that WorldCom's success in the local market speaks volumes about the operational readiness of BellSouth's OSS and belie any concern about the adequacy of such systems in supporting entry by CLECs using the UNE-P.

**(f) UNE Pricing**

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<sup>17</sup> AT&T claims that between June and August 2001, 65 or 4.6% of its business customers in Georgia lost dial tone, although it is not clear that all of these customers were being served via the UNE-P. *Declaration of Bernadette Seigler*, ¶¶ 38-42. Furthermore, AT&T does not attribute these problems solely to use of N and D orders, but suggests that the loss of dial tone may have been caused by "various OSS process failures, running the gamut from service representative error to inconsistent business rules." *Id.* ¶ 39. AT&T only provides three examples to support its claims, but not does offer any specific information from the Commission could determine the specific cause of the problem and whether in fact the use of N and D orders was a factor.

The Commission is not persuaded by commenters' complaints about the rates the Commission has established for unbundled network elements and interconnection services in Georgia. *Comments of AT&T Corp.*, at 52-60; *Comments of WorldCom, Inc.*, at 58-59. The Commission found that these rates are "just and reasonable" as required by the Federal Act and are consistent with the FCC's pricing rules, and, after reviewing the comments of AT&T and WorldCom, the Commission reiterates this finding. *Comments of the Georgia Public Service Commission*, at 136-137.

In responding to the pricing complaints raised by AT&T and WorldCom, it is important to outline briefly the three proceedings the Commission has conducted to establish cost-based rates. The first proceeding was Docket 7061-U, in which hearings were held in September 1997 and in which the Commission entered an order in December 1997 establishing cost-based rates for numerous unbundled network elements and interconnection services. In July 1999 the Commission held hearings in Docket 10692-U, which resulted in the establishment of cost-based rates for network combinations and additional unbundled network elements required by the FCC's Third Report and Order in CC Docket No. 96-98. More recently, the Commission entered an order in April 2001 in Docket 19000-U, which established cost-based rates for xDSL loops, loop conditioning, line sharing, and line splitting.

In both Docket 7061-U and Docket 10692-U, the Commission was confronted with a choice between two competing cost models – BellSouth's cost models and the cost models offered by AT&T and WorldCom. The Commission elected to use BellSouth's cost models because they recognized the roads and rights-of-way in Georgia along which any forward-looking network would be constructed and because BellSouth's cost models

were the only models that could be used to establish cost-based rates for all of the elements and services under consideration. *See Order Establishing Cost-Based Rates*, Docket 7061-U, at 12 (Dec. 16, 1997); *Order*, Docket 10692-U, at 14 (Feb. 1, 2000). However, the Commission made significant adjustments to BellSouth's cost models in both Docket 7061-U and Docket 10692-U to ensure that the cost results were forward-looking consistent with the FCC's pricing rules. As a result of these adjustments, the Commission established a loop rate of \$16.51, which is comparable to the FCC's proxy rate of \$16.09.

The Commission declined to use the Hatfield model, which was offered by AT&T and WorldCom to establish recurring rates. The Commission has been presented with four different versions of the Hatfield Model. Hatfield version 2.2.2 was offered in November 1996 in the AT&T and MCI WorldCom arbitrations, Dockets 6801-U and 6865-U; Hatfield version 3.1 and version 4.0 were offered in Docket 7061-U; and Hatfield version 5.1 was offered in Docket 10692-U. (Docket 7061-U, Wood, Tr. at 1450-1452; Docket 10692-U, Donovan, Tr. at 252). Although on each occasion, the particular version of the Hatfield model under consideration was presented as a "good" model that was "superior" to BellSouth's cost studies, (Docket 7061-U, Wood, Tr. at 1456; Docket 10692-U, Donovan, Tr. at 252), there were serious problems with each version that precluded its use in establishing forward-looking costs in Georgia.

In Docket 7061-U, AT&T's own witness acknowledged that Hatfield version 4.0 understated loop investment. AT&T was asked by the Commission Staff to attempt to validate Hatfield version 4.0 by comparing the amount of cable the model generated for 10 Census Block Groups ("CBGs") in Georgia with the amount of cable that would

actually be necessary to serve those 10 CBGs. Although AT&T witness Wells determined that approximately 1.393 million feet of cable would be required, Hatfield version 4.0 generated only 1.289 million feet. (Docket 7061-U, Wells, Tr. at 2544-2545). Mr. Wells acknowledged under cross examination that, because Hatfield version 4.0 generated approximately 100,000 feet of cable less than would be required to actually provide the facilities, the model would “understate the investment for these 10 CBGs.” (Docket 7061-U, Wells, Tr. at 2547-2548).

In offering Hatfield version 5.1 in Docket 10692-U, the annual cost of the loop in Georgia as calculated by the Hatfield model decreased by more than \$100 million from Hatfield version 4.0. (Docket 10692-U, Donovan, Tr. at 299; BellSouth Exhibit 10). AT&T witness Donovan, who sponsored the Hatfield model in Docket 10692-U, was unable to explain why it was that the annual loop cost decreased by such a significant amount, particularly when the number of access lines being served in Georgia increased by approximately 400,000. (Docket 10692-U, Donovan, Tr. at 299-300). Furthermore, it was impossible to reconcile the monthly loop cost generated by Hatfield version 5.1 – approximately \$11.00 -- with prior representations of AT&T and WorldCom witnesses that the forward-looking monthly cost of an unbundled loop in Georgia was approximately \$14.00. (Docket 7061-U, Wood, Tr. at 1462-1467).

The Commission also found that AT&T and WorldCom had failed to demonstrate that the Hatfield model “produces costs in a well reasoned way based on data show to be reliable.” *Order*, Docket 10692-U, at 14 (Feb. 1, 2000). In particular, the Commission concluded that, “while some of the principles used in constructing the Hatfield model are useful to consider in evaluating and in making adjustments to BellSouth’s model, the

Hatfield model itself has not been demonstrated to be a reliable method for computing the cost-based rates.” *Id.* at 15-16.

The Commission’s decision not to use the Hatfield model in establishing cost-based rates in Georgia is important in considering some of the pricing claims raised by AT&T and WorldCom in their comments. For example, both AT&T and WorldCom complain about BellSouth’s loading factors, which they claim inflate forward-looking costs. *Declaration of Michael Baranowski*, ¶¶ 5-8; *Declaration of Chris Frentrup*, ¶¶ 13-15. BellSouth produced evidence establishing the reasonableness of the use of these loading factors, and BellSouth’s cost studies explained in detail how these factors were developed. (Docket 7061-U, Zarakas & Caldwell, Tr. at 397-406).

By contrast, AT&T’s only testimony on this issue in Docket 7061-U was presented by AT&T witness Wells, who did not offer any reasonable alternative to the use of BellSouth’s loading factors or propose any specific adjustments to BellSouth’s cost studies to address this issue, other than to advocate use of assumptions from the Hatfield model, which the Commission had rejected. (Docket 7061-U, Wells Rebuttal Testimony at 45 & 47). In Docket 10692-U and Docket 11901-U, neither AT&T nor WorldCom raised any objection to the use of BellSouth’s loading factors.

Similarly, both AT&T and WorldCom object to the drop length assumptions used by the Commission in establishing loop rates. *Declaration of Michael Baranowski*, ¶¶ 33-34; *Declaration of Chris Frentrup*, ¶¶ 19-20. The evidence in the record established that the drop length assumptions in BellSouth’s cost studies were reasonable; they were provided by BellSouth’s subject matter experts based on actual experience in BellSouth’s service territory. (Docket 7061-U, Gray, Tr. at 900). By contrast, in Docket 7061-U,



AT&T proposed adjusting the drop length in BellSouth's cost studies to the default values in the Hatfield model, although AT&T did not establish that such assumptions were reasonable or were appropriate for use in Georgia. (Docket 7061-U, Wells, Tr. at 2519). In Docket 10692-U and Docket 11901-U, neither AT&T nor WorldCom raised any objection to the use of BellSouth's drop length assumptions.

AT&T and WorldCom raise other issues, such as the assumptions concerning Integrated Digital Loop Carrier ("IDLC") and the use of a sample in establishing loop costs. *Declaration of Michael Baranowski*, ¶¶ 17-26; *Declaration of Chris Frentrup*, ¶¶ 10-12 & 21. Each of these issues was addressed in detail in the Commission's orders, and no purpose would be served in repeating the Commission's reasoning here. *See Order Establishing Cost-Based Rates*, Docket 7061-U, at 34-37 (Dec. 16, 1997); *Order*, Docket 10692-U, at 18-19 (Feb. 1, 2000).

Finally, AT&T and WorldCom complain about the rates for the Daily Usage Files provided by BellSouth. *Declaration of Michael Baranowski*, ¶¶ 11-12; *Declaration of Chris Frentrup*, ¶¶ 23-25. While insisting that such rates are "excessive" and "incredibly high," AT&T and WorldCom do not even agree on what BellSouth's Daily Usage Files actually cost in their providing service to customers. WorldCom estimates that such charges amount to "at least \$1.12" per month for "an average customer." *Declaration of Chris Frentrup*, ¶ 24. By contrast, AT&T asserts that the Daily Usage Files cost \$2.96 per customer each month in Georgia. *Declaration of Michael Baranowski*, ¶ 11. Since the rates the Commission approved are charged on a per message basis, AT&T's and WorldCom's calculations are based on various assumptions, although it is impossible to

tell from their filings what assumptions were made or whether such assumptions are reasonable.

There are three Daily Usage Files for which the Commission has approved cost-based rates: the Access Daily Usage File (“ADUF”), the Optional Daily Usage File (“ODUF”), and the Enhanced Optional Daily Usage File (“EODUF”). The rates for ADUF, ODUF, and EODUF were established in the Commission’s February 1, 2000 Order in Docket 10692-U. Importantly, the Commission is unaware of any objection raised by either AT&T or WorldCom to BellSouth’s ADUF, ODUF, EODUF cost studies or proposed rates in that proceeding. Although the Commission has not reviewed the entire transcript from the hearings in Docket 10692-U, the Post-Hearing briefs submitted by AT&T and WorldCom are silent on this issue.

Even though these rates were adopted in February 2000, the first time any party raised any concern about the Daily Usage Files rates was in comments filed in Docket 6863-U in May 2001. In response to those concerns, BellSouth filed a revised SGAT on August 27, 2001 that, in many cases, reduced substantially the rates for its Daily Usage Files. These reduced rates are interim subject to true up based upon a final order in the Commission’s new cost case, Docket 14361-U. If these reduced Daily Usage File rates are so “excessive” and “incredibly high,” as AT&T and WorldCom claim, the Commission would have expected AT&T and WorldCom to raise their concerns about the original rates, which were even higher, before they were adopted or on a motion for reconsideration – not more than a year later.

**C. Checklist Item 4--Unbundled Local Loops**

AT&T claims that BellSouth's "hot cut" performance is deficient based upon AT&T's "own performance tracking data." *Declaration of Denise Berger*, ¶¶ 62-71. Based on its efforts to reconcile BellSouth's "hot cut" data using information from other carriers, including AT&T, the Commission does not believe that AT&T's "tracking data" paints a complete picture of BellSouth's hot cut performance.

In August 2000, the Georgia Commission Staff directed BellSouth to conduct a two-month formal reconciliation of its hot cut data with three CLECs, AT&T, Mpower, and Allegiance. The purpose of the reconciliation process was to verify BellSouth's performance in the provisioning of unbundled loops. The reconciliation process included four two-week periods of data collection, which began on September 11, 2000 and ended on November 5, 2000. BellSouth filed a complete copy of the collected data and the reconciled data with the Commission on December 18, 2000.

During this process, BellSouth collected the requested data on the hot cuts performed with three CLECs involved and provided the data to the CLECs on a bi-weekly basis. The CLECs reviewed the data and compared BellSouth's data to the data they had collected. BellSouth then met with the individual CLECs to review and reconcile the data. If the parties were unable to reconcile disagreements regarding the data, the parties were directed to submit the issues to the Commission's Director of Telecommunications for resolution.

Discrepancies between the parties' performance data declined during the course of the reconciliation process. By the fourth two-week period, BellSouth was able to reconcile 100% of its hot cut data with Mpower and Allegiance. AT&T was the only

CLEC with whom BellSouth was unable to reconcile its hot cut data. After a meeting held with the parties and the Commission's Director of Telecommunications, it was evident that BellSouth's and AT&T's inability to reconcile their hot cut data was primarily because of an ongoing operational dispute between the parties concerning the pre-conversion call and the post-cut completion call. But for this operational dispute, there were no significant differences between BellSouth's and AT&T's hot cut data.

The operational disagreement between BellSouth and AT&T concerning the appropriate procedures concerning hot cuts was an issue raised in the arbitration initiated by AT&T in Docket 11853-U. However, the parties subsequently resolved their operational differences, and the issue was withdrawn from the arbitration.

Based upon its comments, AT&T's apparent complaint is not with BellSouth's hot cut data, but rather with the Commission's hot cut performance measures pursuant to which such data is calculated. In fact, the "tracking data" upon which AT&T relies to challenge BellSouth's hot cut performance apparently is calculated using performance measures that were adopted in New York. *Declaration of Denise Berger*, ¶¶ 65. To the extent AT&T is proposing that the Commission's hot cut measures be changed, those proposals should be addressed in the industry workshops currently considering revisions to the existing performance measures.

### **III. OTHER ISSUES**

There are two additional issues the Commission would like to address. First, a number of commenters complain about BellSouth's winback activities, although such complaints are often short on specifics. *See Comments of AT&T Corp.*, at 63; *Comments*

*of KMC Telecom, Inc.*, at 15-17; *Comments of El Paso Networks, PacWest Telecomm, and US LEC Corp.*, at 45 (referencing winback allegations by KMC); *Comments of Competitive Telecommunications Association*, at 19-23. As the Commission noted in its initial Comments, the Commission opened Docket 14232-U to investigate such allegations. Oral argument was held in Docket 14232-U on October 3, 2001, and the matter is currently under consideration by the Commission.

Second, the Commission rejects AT&T's position that BellSouth's application for in-region, interLATA authority in Georgia should not be granted because "BellSouth would lose all incentive to cooperate" in ongoing state commission proceedings and would "severely hinder" this Commission's efforts to bring competition to Georgia. *Declaration of David M. Eppsteiner*, ¶ 12-17. Granting BellSouth long distance authority does not relieve BellSouth of any of its obligations under state or federal law, and this Commission will continue to ensure that BellSouth complies with those legal obligations. Furthermore, rather than "hindering" competition in Georgia, the Commission believes that granting BellSouth long distance authority in the State will increase competitive choice for Georgia consumers, which is what Congress and the Georgia legislature intended.

#### **IV. CONCLUSION**

In conclusion, the Georgia Public Service Commission respectfully requests that the FCC authorize BellSouth to offer in-region, interLATA services in Georgia. The local market in the State is fully and irreversibly open to competition, and allowing BellSouth to compete in the long distance market will benefit Georgia consumers.

**ATTACHMENT**

November 5, 2001

**DELIVERED BY HAND**

Mr. Reece McAlister  
Executive Secretary  
Georgia Public Service Commission  
244 Washington Street, S.W.  
Atlanta, Georgia 30334-5701

Re: *BellSouth Telecommunications, Inc.'s Entry into InterLATA Services Pursuant to Section 271 of the Telecommunications Act of 1996*; Docket No. 6863-U

*BellSouth Telecommunications, Inc.'s Revised Statement of Generally Available Terms and Conditions Under Section 252(f) of the Telecommunications Act of 1996*; Docket No. 7253-U

*Investigation into Development of Electronic Interfaces for BellSouth Operational Support Systems*; Docket No. 8354-U

Dear Mr. McAlister:

In its October 19, 2001 Order in the above-referenced dockets, the Commission required that BellSouth Telecommunications, Inc. ("BellSouth") "implement by November 3, 2001, migration by Telephone Number and name." This letter is to advise the Commission of BellSouth's progress in complying with this requirement.

Effective November 3, 2001, BellSouth implemented Release 10.2. As part of this Release, BellSouth removed the edits that required the End User Service Address field to be populated on valid activity types for the Unbundled Network Element Platform ("UNE-P") (Req Type M). As a result of this modification, a competing local exchange carrier ("CLEC") seeking to migrate a retail customer to UNE-P is only required to populate the Name and Telephone Number fields on the Local Service Request ("LSR"), and BellSouth's systems will validate the customer's telephone number as it appears on the LSR. It is BellSouth's understanding that this is the same manner in which other incumbents handle UNE-P migrations.

However, as part of testing of Release 10.2, BellSouth determined that LSRs would process correctly using this new functionality when only one

address is associated with the provided telephone number in BellSouth's Regional Street Address Guide. Based on a review of actual orders, BellSouth estimates that approximately 70% of LSRs will fall into this category. When there are two or more addresses associated with the telephone number in RSAG, which will occur with approximately 30% of LSRs, the LSR will be rejected or auto clarified back to the CLEC requesting a valid address. BellSouth is in the process of implementing a fix that would allow the processing of LSRs when a working address as well as one or more non-working addresses are reflected in RSAG, which BellSouth expects to be implemented no later than November 17, 2001.

In a Carrier Notification Letter issued on November 2, 2001, BellSouth advised CLECs of the implementation of this enhanced functionality to facilitate UNE-P migrations, but also noted the problems that may be encountered in a UNE-P migration when an LSR is submitted with a Customer Name and Telephone Number and there are one or more non-working addresses associated with that telephone number. BellSouth has encouraged CLECs to continue to populate the End User Service Address field on the LSR until this situation is remedied. BellSouth has addressed this issue with a number of UNE-P providers in Georgia, including MCI WorldCom, and BellSouth has additional meetings scheduled this week with MCI WorldCom to ensure that the enhanced functionality implemented by BellSouth meets fully MCI WorldCom's needs.

By letter dated October 1, 2001, BellSouth advised the Commission that there was a significant possibility that BellSouth would not meet the November 3, 2001 deadline for the implementation of migration by Telephone Number and Name. Although BellSouth has worked diligently to implement the required functionality by the Commission's deadline, BellSouth recognizes that it will be subject to daily fines of \$10,000 until LSRs with one or more non-working addresses in RSAG are processed without being rejected or auto-clared, which BellSouth expects will be no later than November 17, 2001.

Enclosed for filing please find eighteen (18) copies of this letter, and I would appreciate your returning three (3) extra copies stamped "filed" in the enclosed self-addressed and stamped envelopes.

Very truly yours,

Bennett L. Ross

BLR:nvd  
Enclosures

cc: Mr. Leon Bowles  
Parties of Record

419132